



TRIBAL-STATE COMPACT AMENDMENT FOR CLASS III GAMING

Between the

Quileute Indian Tribe

and the

State of Washington

TABLE OF CONTENTS

QUILEUTE TRIBE - STATE OF WASHINGTON CLASS III GAMING - PROPOSED COMPACT

<u>Section</u>	<u>Subject Matter</u>	<u>Page</u>
	Introduction	1
	Parties	1
	Recitals	1
	Declaration of Policy and Purpose	2
I	Title	4
II	Definitions	4
III	Nature Size and Scope of Class III Gaming	6
	A Scope of Class III Gaming Activities	6
	B Punchboards and Pull Tabs and State Lottery - Separate Locations	7
	C Other Class III Table Games	7
	D Lottery-Type Games	7
	E Sports Pools	7
	F Authorized Gaming Operation	7
	G Forms of Payment	8
	H Size of Gaming Floor	8
	I Size of Class III Gaming Operation	8
	J Wagering Limitations	8
	K Hours of Operation	8
	L Ownership of Gaming Facility & Operation	9
	M Prohibited Activities	9
	N Prohibition on Minors	9
	O Prohibition on Firearms	9
	P Financiers	9

Q	Additional Class III Games	9
R	Six Month Gaming Operation Review	10
IV	Licensing and Certification Requirements	11
A	Gaming Operation and Facility	11
B	Gaming Employees	11
C	Manufacturers and Suppliers of Gaming Services	11
V	Licensing and State Certification Procedures	11
A	Procedures for Tribal License Applications and State Certification	11
B	Background Investigations of Applicants	12
C	Grounds for Revocation, Suspension or Denial of State Certification	12
D	Right to Hearing for Revocation, Suspension, or Denial of State Certification	13
E	Denial, Suspension, or Revocation of Licenses Issued by Tribal Gaming Agency	13
F	Duration and Renewal of Tribal Issued Licenses and State Certifications	13
G	Identification Cards	13
H	Exchange of Tribal Licensing and State Certification Information	13
I	Fees for State Certification	14
J	Fees for Tribal License	14
K	Temporary Certification of Gaming Employees	14
L	Summary Suspension of Tribal License or State Certification	14
M	Submission to State Administrative Process	15
N	Tribal Certification	15
VI	Tribal Enforcement of Compact Provisions	15
A	Tribal Gaming Agency	15
B	Tribal Gaming Agents/Inspectors	16

	C	Reporting of Violations	16
	D	Investigation and Sanctions	16
	E	Reporting to State Gaming Agency	16
	F	Quarterly Meetings	16
VII		State Cooperative Enforcement of Compact Provisions	16
	A	Monitoring	16
	B	Access to Records	17
	C	Tribal Gaming Agency Notification	17
	D	Cooperation with Tribal Gaming Agency	17
	E	Jurisdictional Issues	17
VIII		Regulatory Jurisdiction Relating to Enforcement of the Provisions of this Compact	18
	A	Concurrent Jurisdiction	18
IX		Law Enforcement Jurisdiction Relating to Gambling	18
	A	Investigative Authority	18
	B	Jurisdictional Forums	18
	C	Consent to Application of State Law and Incorporation in Tribal Ordinance	18
	D	Exception to Consent	19
	E	Law Enforcement Coordination	19
X		Enactment of Compact Provisions	19
	A	State Gaming Agency Rules or Regulations	19
	B	Tribal Gaming Agency Regulations	19
XI		Regulations for the Operation and Management of the Tribal Gaming Operation	19
	A	Adoption of Regulations for Operation and Management	19
	B	Additional Operational Requirements Applicable to Class III Gaming	20

XI	Remedies for Breach of Compact Provisions	21
A	Injunction Against the State	21
B	Injunction Against the Tribe, the Tribal Gaming Operation, or Any Individual	21
C	Dispute Resolution	21
D	Sanctions/Civil Fines	22
E	Disposition of Civil Fines Collected	23
XIII	Tribal Reimbursement for Expenses Incurred by the State Gaming Agency	23
XIV	Public Health and Safety	24
A	Compliance	24
B	Emergency Service Accessibility	24
C	Community Relations	25
D	Alcoholic Beverage Service	25
XV	Limitation of Liability	25
XVI	Amendments, Duration and Effective Date	25
A	Effective Date	25
B	Voluntary Termination	26
C	Other Termination - Change of State Law	26
D	Amendments/Renegotiations	26
	1 Amendments - Mutual	26
	2 Amendments - Contractual	26
	3 Renegotiation - Tribe	26
	4 Renegotiation - State	27
	5 Renegotiation - Either Party	27
	6 Process and Negotiation Standards	27
	7 Authorization to other Tribes	28
XVII	Notices	28
XVIII	Severability	28
	Signatures	29

INTRODUCTION

THIS COMPACT is entered into pursuant to the Indian Gaming Regulatory Act of 1988, P.L. 100-497, codified at 25 USC 2701-2721 and 18 USC 1166-1168 (hereafter I.G.R.A. or Act).

PARTIES

THIS TRIBAL-STATE COMPACT is made and entered into by and between the QUILEUTE INDIAN TRIBE (hereafter "Tribe"), a federally-recognized Indian Tribe, possessed of all sovereign powers and rights thereto pertaining; and the STATE OF WASHINGTON (hereafter "State"), as a sovereign state of the United States, with all rights and powers thereto pertaining.

RECITALS

An understanding of the unique history and traditions of the Quileute Tribe and of the location and economy of the Quileute Reservation is essential to appreciating the tribal requirements of a gaming compact. The following factors were considered by the parties in the negotiations of this Compact.

A. The Quileute Reservation consists of approximately 800 acres, and is located near the northwest tip of the Olympic Peninsula, in an isolated and sparsely populated area.

B. The Quileute resort economy and any gaming facility which may become part of that economy must depend upon tourists who travel long distances to visit the Quileute Reservation. The tourist season is now and will continue to be concentrated in the summer season. To raise revenues from gaming activities, the Quileute Tribe must be able to meet market demands by greater flexibility in the hours of operation and the availability of gaming activities during this peak season from May to October. This is in contrast to the gaming facilities located in the Puget Sound region where the population is higher and business less seasonal.

C. The Quileute Reservation is owned, almost in its entirety, by the Quileute people. The tourist industry is also owned and operated by Quileutes. The Quillayute River fishery is managed largely by the Tribe for both Indians and non-Indians. Gaming has been part of the Tribal tradition for generations.

D. The Quileute Reservation includes the Shoreline and Ocean Park Resorts, owned and operated by the Quileute Enterprise Board, a business entity of the Tribe. The Tribe plans to initially locate the Class III gaming facility adjacent to the village of LaPush or overlooking First Beach at LaPush. Further, the Tribe may for business reasons later relocate the gaming facility to a different site on the Reservation.

E. The Quileute Tribe has developed strong legal and judicial systems. At the Tribe's request, in 1988 the State retroceded partial criminal jurisdiction to the Tribe. The Tribal Council has recently recognized the importance of separating itself from judicial functions, and no longer exercises its previous function as an appeals court. The Tribe has its own police department and Tribal court in addition to a fisheries enforcement department. Through these entities, the Tribe has developed cooperative relationships with the U.S. Coast

Guard, the Army Corps of Engineers, the National Park Service, the Immigration and Naturalization Service, the State Departments of Fisheries and Wildlife, and Clallam County.

F. The Tribe has developed its own environmental protection program and administers its regulatory program in water, sewer, garbage and land use. It has been the pioneer in waste management in the West End and takes its responsibility seriously to protect for future generations the unique beauty of the Quileute coastline.

DECLARATION OF POLICY AND PURPOSE

IGRA provides for the negotiation of compacts between States and Tribes to govern the conduct of Class III gaming. Indian tribes have rights under IGRA to regulate gaming activities on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a state which does not, as a matter of criminal law and public policy, prohibit such gaming activity. The overarching policy of the Act is to provide a framework for the operation of gaming by Indian tribes as a means of promoting Tribal economic development, self-sufficiency and strong Tribal governments, as well as providing a basis for the regulation of gaming by an Indian tribe adequate to shield it from organized crime and other corrupting influences, to insure that the Indian tribe is the primary beneficiary of the gaming operation and to assure that gaming is conducted fairly and honestly by both the operator and players.

The United States has determined, through the adoption of the IGRA, that the conduct of certain gaming activities should benefit Indian tribes and their members. The terms and conditions set forth below to regulate Class III gaming conducted by the Quileute Tribe have been agreed to pursuant to that congressional mandate.

It is the stated intention of the parties hereto to foster full cooperation between the Tribe and the State on the basis of equality and a shared concern for the welfare of all the citizens of the State and the Tribe as a result of gaming on the Quileute Reservation. Through the partnership of the Compact, the parties desire to further the purposes of IGRA for the benefit of the Tribe and the protection of the State.

This Compact is intended to be the cooperative means by which the Quileute Tribe lawfully conducts Class III gaming activities within the Quileute Reservation and in conjunction with the state of Washington, which permits such gaming for any purpose by any person, organization or entity; and to define the manner in which laws regulating the conduct of these gaming activities are to be applied in order that the respective Tribal and State interests may be met.

The Quileute Tribe and the state of Washington have mutually agreed, within the parameters established by the Act, to the following provisions governing the conduct of Class III gaming activities on the lands of the Tribe, designed to (a) protect the health, welfare and safety of the citizens of the Tribe and the State, and (b) develop and implement a means of regulation for the conduct of Class III gaming on Indian lands, as that term is defined in the Act, in an effort to ensure the fair and honest operation of such gaming activities and to minimize the possibility of corruption or illegal practices in conjunction with such activities, and (c) to maintain the integrity of all activities conducted in regard to Class III gaming.

The policy of the State of Washington regarding the gaming authorized under this Compact is set forth in Chapter 9.46 RCW. The provisions of Chapter 9.46 RCW and Title

230 WAC regulate gaming activities in the State. The State's policy is to allow limited and highly regulated casino gaming for non-profit organizations, and to restrain persons from seeking profit from professional gambling activities. The State agrees that the Tribe is authorized, as a result of the provisions of I.G.R.A and the terms of the Compact, to engage in the Class III gaming activities expressly permitted herein.

The Quileute Tribe and the State of Washington enter into this Compact in a government to government relationship in the spirit of the Centennial Accord.

IN CONSIDERATION of the foregoing and the mutual benefits to be derived, the QUILEUTE TRIBE and the STATE OF WASHINGTON do enter into a TRIBAL-STATE COMPACT as provided for herein.

I. TITLE

This document shall be cited as "The Quileute Tribe of Indians-State of Washington Gaming Compact."

II. DEFINITIONS

For purposes of this Compact:

A. "Act" means the Indian Gaming Regulatory Act, Pub.L. 100-497, 25 USC 2701 et seq and 18 USC 1166 et seq (also IGRA.)

B. "Applicant" means any individual who has applied for a tribal license or state certification, whether or not such license or certification is ultimately granted.

C. "Class III Gaming" means all forms of gaming as defined in 25 USC 2703(8) and by regulations of the National Indian Gaming Commission and are authorized under Section III of this Compact as Class III games. Pull tabs and punchboards, even though discussed in Section III, are specifically deemed to be Class II games when operated in conjunction with bingo.

D. "Code" means the Quileute Gaming Code, as amended.

E. "Compact" means the Quileute Tribe of Indians - State of Washington Gaming Compact, governing management and operation of Class III gaming facilities.

F. "Gambling Device" means any device or mechanism the operation of which a right to money, credits, deposits or other things of value may be created, in return for a consideration, as the result of the operation of an element of chance and any device or mechanism which, when operated for a consideration, does not return the same value or thing of value for the same consideration upon each operation thereof.

G. "Gaming Employee" means any individual employed in the operation or management of the gaming operation, whether employed by or contracted to the Tribe or by any person or enterprise providing on or off-site services to the Tribe within or without the gaming facility regarding any Class III activity, including, but not limited to, gaming operation managers and assistant managers; accounting personnel; surveillance and security personnel; cashier supervisors; dealers or croupiers, box men; floormen; pit bosses; shift bosses; cage personnel; collection personnel; gaming consultants; management companies and their principals; and any other natural person whose employment duties require or authorize access to restricted areas of the gaming facility not otherwise opened to the public, or to areas designated by the Tribal and State Gaming Agencies.

H. "Gaming Facility" means the building, including the room or rooms in which Class III Gaming activities as authorized by this Compact are conducted on Quileute Tribal Lands.

I. "Gaming Operation" means the enterprise operated by the Tribe on Quileute Tribal Lands for the conduct of any form of Class III gaming in any gaming facility.

J. "Gaming Services" means the providing of any goods or services to the Tribe, whether on or off site, directly in connection with the operation of Class III gaming in a gaming facility, including equipment, maintenance or security services for the gaming facility. Gaming services shall not include professional legal and accounting services.

K. "Gaming Station" means one gaming table of the general size and scope as commonly used in Nevada.

L. "Individual" means, but is not limited to, natural persons and business entities including business sole-proprietorships, partnerships, corporations, joint ventures, organizations and associations.

M. "Local Law Enforcement Agency" means any law enforcement agency in the vicinity of the gaming operation and which has jurisdiction to enforce local and state laws within the Quileute Tribal Lands, or is subject to the terms of a cross deputization agreement. Except as specifically provided in this Compact, nothing in this definition or in any provision set forth herein, however, is intended to expand, waive or confer or limit any jurisdiction upon any law enforcement agency within the Quileute Tribal Lands.

N. "Management Entity" means any individual with whom, or other business entity with which the Quileute Tribal Council enters into a contractual agreement for financing, development and operation of any Class II or Class III gaming establishment on the Quileute Tribal Lands.

O. "Net Win" means the total amount of gaming station income (gross gaming revenue), i.e., the difference between the total amount wagered or played and the amounts repaid to winners. The formula to calculate net win shall be that as contained in Appendix A of this Compact.

P. "Principal" means with respect to any enterprise: (i) each of its officers and directors; (ii) each of its principal management employees, including any chief executive officer, chief financial officer, chief operating officer, or general manager; (iii) each of its owners or partners, if an unincorporated business; (iv) each of its shareholders who own more than ten percent of the shares of the corporation, if a corporation; and (v) each person or entity other than a banking institution who has provided financing for the enterprise constituting more than ten percent of the start-up capital or operating capital over a twelve month period, or a combination thereof. For purposes of this definition, where there is any commonality of the characteristics identified in (i) through (iv) above between any two or more entities, those entities shall be deemed to be a single entity.

Q. "RCW" means the Revised Code of Washington, as amended.

R. "State" means the State of Washington, its authorized officials, agents and representatives.

S. "State Certification" means the process utilized by the State Gaming Agency to assist the Tribe and ensure that all individuals or other entities required to be licensed and certified are qualified to hold such license certification in accordance with this Compact and the provisions of Chapter 9.46 RCW.

T. "State Gaming Agency" means the Washington State Gambling Commission.

U. "Tribal Gaming Agency" means the Quileute Tribal Gaming Commission or such other agency of the Tribe as the Tribe may from time to time designate by written notice to the State as the Tribal agency primarily responsible for independent regulatory oversight of Class III Gaming as authorized by this Compact. No employee of the gaming operation may be a member or employee of the Tribal Gaming Agency.

V. "Tribal Law Enforcement Agency" means the police force of the Quileute Tribe of Indians established and maintained by the Tribe pursuant to the Tribe's powers of self-government to carry out law enforcement within the Quileute Tribal Lands.

W. "Tribal Licensing" means the licensing process utilized by the Quileute Tribe to ensure all individuals and other entities required to be licensed are qualified to hold such license in accordance with provisions of the Quileute Tribal Gaming Code.

X. "Tribe" means the Quileute Tribe of Indians, its authorized officials, agents and representatives.

Y. "Quileute Tribal Lands" means Indian lands as defined by 25 USC Section 2703(4)(A) and (B), subject to the provisions of 25 USC Section 2719.

Z. "WAC" means the Washington Administrative Code, as amended.

III. NATURE, SIZE AND SCOPE OF CLASS III GAMING

A. Scope of Class III Gaming Activities. The Tribal gaming operation may utilize in its gaming facility, subject to the provisions of this Compact, any or all of the following Class III activities:

1. Blackjack;
2. Money-wheel;
3. Roulette;
4. Baccarat;
5. Chuck-a-luck;
6. Pai-gow;
7. Red Dog;
8. Chemin De Fer;
9. Craps;
10. 4-5-6;
11. Ship-Captain-Crew;
12. Horses (stop dice);
13. Beat the Dealer;
14. Over/Under Seven;
15. Beat My Shake;
16. Horse Race;
17. Sweet Sixteen
18. Sports Pools, to the extent not prohibited under federal law and subject to Section III.E below;
19. Sic-Bo;
20. Poker, Jackpot Poker and other forms of poker;
21. Satellite (off-track) wagering on horse races;
22. Keno and Keno Type Games;

23. Any other table game authorized for play in Nevada and played in accordance with applicable Nevada rules, upon 20 days' written notice to the State Gaming Agency.

B. Punchboards and Pull Tabs and Washington State Lottery - Separate Locations. In addition to the games authorized by Section III.A, the Tribe may utilize punchboards and pull tabs in the facility and at other locations within the Quileute Tribal Lands subject to regulation by the Tribe. Punchboards and pull tabs operated outside of the Tribal gaming facility shall be operated in a manner consistent with the sale of punchboards and pull tabs in the Tribal bingo facility. The operation of State lottery retail locations within Quileute Tribal Lands shall be subject to the provisions of RCW 67.70, WAC 315, and Tribal Ordinance.

C. Other Class III Table Games. For other Class III table games similar to those set forth above that would also be authorized for play for any purpose by any person, organization, or entity in the State of Washington that is not otherwise treated as Class II gaming in Washington pursuant to 25 USC 2703(7), the Tribe shall provide the game regulations to the State Gaming Agency at least thirty (30) days prior to the time play shall begin. If the State takes no action within the 30 days, the Tribe shall begin offering the game. If a dispute arises between the Tribe and the State with respect to issues including, but not limited to, the rules of the game, manner of play, or training and enforcement associated with regulation, the State and Tribal Gaming Agencies shall meet and resolve the dispute prior to the time play of that game can begin. If either party believes, after negotiations have commenced, that a resolution by the parties cannot be achieved, then either or both parties shall be entitled to have the dispute resolved pursuant to the dispute resolution provisions of Section XII.C below.

D. Lottery-type Games. To the extent that instant tickets, on-line games, or other similar games are authorized for play for any purpose by any person, organization, or entity in the State or have been or are later identified as a Class II game pursuant to federal law, federal regulation, through a consensual lawsuit, or by a court of competent jurisdiction interpreting the laws of the State of Washington in a final and unappealable decision, and the Tribe desires to conduct such games within Quileute Indian lands, the Tribe shall submit the proposed rules and manner of play to the State Gaming Agency at least sixty (60) days prior to the time play shall begin. If the State does not object in writing within the sixty (60) days, the Tribe may begin offering the game. If, prior to the first play of such game or games by the Tribe, a dispute arises between the Tribe and the State with respect to the legality of the game, security issues, rules of play, or training or enforcement associated with its regulation, the State and Tribal Gaming Agencies shall meet and the dispute shall be resolved prior to the time play of that game can begin. If the dispute cannot be resolved to the satisfaction of the parties through discussion within sixty (60) days after the submission by the Tribe, the Tribe may initiate the dispute resolution provisions of Section XII.C below or pursue other remedies available under the I.G.R.A.

E. Sports Pools. To the extent not prohibited under federal law, the Tribe shall be entitled to offer sports pools, on regularly scheduled athletic contests, of one hundred (100) squares wherein each square is sold for not more than ten (10) dollars (wager) plus an administrative charge payable to the Tribe of not more than fifty cents (\$0.50) per \$10.00 wager. All wagers shall be awarded to winners as prizes. All other provisions of state law established in RCW 9.46.0335, regarding the conduct of sports pools shall be applicable.

F. Authorized Gaming Operation. The Tribe may establish one Class III gaming operation and gaming facility, located on the Quileute Reservation, for the operation of any Class III games as authorized pursuant to this Compact. After one (1) year of operation in the

initial facility, the Tribe may relocate this Class III gaming operation and facility to another location on the Quileute Reservation, but shall provide notice to the State at least six (6) months prior to beginning construction of the facility or conversion of an existing facility. The Tribe and the State Gaming Agency will jointly schedule public meetings and work with state and local governments regarding any issues which should be addressed prior to relocation of the facility. The Tribe will fully comply with siting and land use requirements at least as restrictive as those in the Quileute Tribal Code and all applicable federal regulations. All terms and conditions of this Compact (including the scope of gaming), with the exception of those issues necessary to address specifically for the proposed relocation of the operation and facility, shall be applicable to the relocated operation and facility as if it were the initial operation and facility.

G. Forms of Payment. All payment for wagers made in authorized forms of Class III gaming conducted by the Tribe on its Reservation, including the purchase of chips, for use in wagering, shall be made by cash, cash equivalent, credit card or personal check. The Tribal gaming operation shall not extend credit to any patron of the gaming establishment for gaming activities.

H. Size of Gaming Floor. The actual Class III gaming floor within the Gaming Facility shall be determined by the Tribe.

I. Size of Class III Gaming Operation. During the first nine months of operation, ("phase one") or earlier as provided for in Section III.R, the maximum number of Class III gaming stations shall not exceed thirty one (31) plus, at the option of the Tribe, one (1) additional gaming station, called "the nonprofit station." The proceeds from the nonprofit station shall be dedicated to support nonprofit organizations and their activities located within Clallam County or the State of Washington. For purposes of determination of "proceeds" from the nonprofit station only, proceeds shall mean the net win of the non profit station less the pro rata cost of regulation and operation, specifically excluding capital costs. Therefore, the proceeds shall equal the net win of the non profit station less the costs of regulation and operation, divided by the thirty-two (32) gaming stations. The Tribal gaming ordinance shall set forth regulations concerning the types of bona-fide nonprofit organizations or types of projects of such organizations that shall be supported by the nonprofit station. At the end of nine months continual operation, if the gaming operation has met the conditions set forth in Section III.R, "phase two" may be implemented, providing for up to fifty gaming stations plus, at the option of the Tribe, two (2) additional non-profit gaming stations.

J. Wagering Limitations. During the first nine months of operation or earlier as provided for in Section III.R, wager limits shall not exceed two hundred fifty dollars (\$250) per wager. At the end of nine months continual operation, if the Gaming Operation has met the conditions set forth in Section III.L, "phase two" may be implemented, providing for wager limits of up to five hundred dollars (\$500) per wager.

K. Hours of Operation. The maximum number of operation hours for the Gaming Facility shall be as follows:

1. During the first nine months of operation or earlier as provided for in Section III.R, operating hours may not exceed one hundred twelve (112) hours per week on an annualized basis. At the end of nine months continual operation or earlier as provided for in Section III.R, if the Gaming Operation has met the conditions set forth in Section III.R, "phase two" may be implemented, providing for operating hours of up to one hundred forty (140) hours per week on an annualized basis.

2. The Tribe may schedule its hours to best comply with market conditions and may operate any day of the week. The Gaming Operation shall not exceed twenty (20) hours per day and the Gaming Facility shall be closed to the public from 2:00 a.m. until 6:00 a.m. each day of operation, provided the Tribe may operate the Gaming Facility past the hours of 2:00 a.m. upon mutual written agreement by the State Gaming Agency, the Tribal Gaming Agency and local law enforcement agencies.

3. Upon thirty (30) days written notice to the State Gaming Agency and upon mutual written agreement between the State Gaming Agency and the Tribal Gaming Agency, the Tribe may operate the Gaming Facility for twenty-four (24) hours without interruption at certain times of the year, not to exceed a total of seventy-two (72) hours during any one such time period. The Tribe may request for such special hours three (3) times in any one calendar year.

L. Ownership of Gaming Facility and Gaming Operation. The gaming operation, including the gaming facility, shall be owned and operated by the Tribe. The Tribe shall be entitled to contract for management of the gaming facility and gaming operation. Such contract shall subject the management entity to the terms of this Compact, including annual certification and licensing. A leasehold interest shall satisfy the ownership requirement.

M. Prohibited Activities. Any Class III gaming activity not specifically authorized in this Compact is prohibited. Unless gambling devices are subsequently authorized by the State, by agreement of the parties, through a consensual lawsuit, or through a final and unappealable decision permitting gambling devices issued by a court of competent jurisdiction interpreting the laws of the State of Washington, all Class III gambling devices are prohibited. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities and devices on Quileute Indian Lands or within the Gaming Facility.

N. Prohibition on Minors. No person under the age of eighteen (18) shall participate in any gaming operation, or be allowed on the Class III gaming floor authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered on the gaming floor pursuant to applicable law, then no patron under the age of twenty-one (21) shall be permitted on the gaming floor during actual hours of operation.

O. Prohibition on Firearms. The possession of firearms by any person within the gaming facility shall be strictly prohibited, and notice of such shall be posted near the entrance to the facility. Provided, this prohibition shall not apply to authorized agents or officers of the Tribal Gaming Agency, Tribal Law Enforcement Agency, State Gaming Agency, or State and Local law enforcement agencies.

P. Financiers. Any party extending financing, directly or indirectly, to the gaming facility or gaming operation shall be subject to the annual licensing requirements of the Tribal Gaming Agency, and shall be required to obtain State certification prior to completion of the financing agreement and annually thereafter. These licensing and certification requirements do not apply to financing provided by a federally regulated commercial lending institution, the Quileute Tribal government, or the Federal government. However, the source of all funds will be fully disclosed in accordance with IGRA and a copy provided to the State.

Q. Additional Class III Games. The State acknowledges that the Tribe may decide to conduct other Class III games which are permitted under the I.G.R.A., or other federal law but are not included in Section III.A-E of this Compact; for example, horse racing or a Tribal

operated lottery. If and at the time the Tribe determines it shall conduct such activities, the parties shall use the process outlined below.

1. The Tribe shall submit a letter, signed by the Tribal Chairman, and addressed to the Governor, specifically identifying the additional proposed activities and the applicable amendments or additions to the Tribal Code authorizing such activities.

2. The Tribe shall submit a copy of the above letter to the State Gaming Agency, together with draft regulations covering the proposed activity.

3. Within sixty (60) days after receipt of the letter, the State Gaming Agency shall review the regulations submitted and approve or disapprove the proposed regulations within such time. Concurrently, the State shall, if required by federal law, negotiate an ancillary Compact with the Tribe addressing the operation of the activity.

4. If the State Gaming Agency and the Tribe do not finalize an ancillary Compact for the proposed activity during the sixty (60) day period, the State and the Tribe shall continue to negotiate an ancillary Compact for an additional 120 days prior to the Tribe filing any action against the State pursuant to 25 USC Section 2710(d)(A)(i).

5. Pending the negotiation of an ancillary Compact for the proposed activities or resolution of any action in the event an ancillary Compact for such activities is not finalized, the terms and provisions of the Original Compact and applicable amendments, if any, shall remain in effect.

6. If the additional proposed activity involves horse-racing, satellite (off-track) wagering on horse races or other activity related to horse-racing, the Tribe shall also submit a copy of its letter to the Washington Horse Racing Commission, together with draft regulations covering the proposed activity.

R. Sixth Month Gaming Operation Review. After six months of operation, the State Gaming Agency shall conduct a review of the Class III Gaming Operation to determine general Compact compliance and whether the conditions set forth below have been satisfied. If, as a result of the review, the State Gaming Agency determines that the operation is in compliance with these conditions, the Class III Gaming Operation may implement "phase two" either at nine months of operation or earlier upon a successful completion of the review. If the State Gaming Agency determines that the Class III Gaming Operation has not satisfied the conditions, any resulting dispute will be resolved through the dispute resolution procedures set forth in section XII.C of this Compact. Any increase in the number of gaming stations, hours of operation, or wager limits beyond that initially authorized during "phase one" of Class III Gaming Operations shall be conditioned upon the following criteria:

1. There have been no violations of the provisions of the Compact that have resulted in sanctions imposed by the Federal District Court or the National Indian Gaming Commission;

2. There are no violations of the Compact which are substantial or, due to repetition, would be deemed material;

3. There have been no material adverse impacts on the public health, safety, or welfare of the surrounding communities in the nature of criminal activities directly related to the operation of the Class III Gaming Facility;

4. There have been no material violations of Appendix A of this Compact; and

5. The Tribal Gaming Agency has developed a strong program of regulation and control demonstrating an adequate level of proficiency, which includes the hiring of trained Tribal Gaming Agents, an independent management and reporting structure separate from that of the Gaming Facility or Tribal bodies, a thorough and developed system for the reporting of Compact violations, and a strong and consistent presence within the Class III Gaming Facility.

IV. LICENSING AND CERTIFICATION REQUIREMENTS

A. Gaming Operation and Facility. The gaming operation and gaming facility authorized by this Compact shall be licensed by the Tribal Gaming Agency in conformity with the requirements of this Compact prior to commencement of operation, and annually thereafter. Verification of this requirement shall be made by the Tribal Gaming Agency and the State Gaming Agency through a joint pre-operation inspection conducted at least fourteen (14) days prior to scheduled opening of the facility. If the facility does not meet the requirements, the Tribal Gaming Agency and/or State Gaming Agency must send a non-compliance letter within seven (7) working days after completion of the inspection. If the Tribal and State Gaming Agencies do not agree on whether the facility meets the requirements, the agencies will meet within ten (10) working days from receipt of the non-compliance letter and work together to resolve concerns. If a dispute regarding this inspection cannot be resolved by the gaming agencies within a reasonable time, the parties may seek resolution pursuant to Section XII.C of this Compact. The actual costs of final inspection of the facility under this section shall be the responsibility of the Tribe.

B. Gaming Employees. Every gaming employee shall be licensed by the Tribal Gaming Agency and shall be certified by the State prior to commencement of employment, and annually thereafter. Provided, the Tribal Gaming Agency may issue a license if the employee has a current license or certification issued by the State Gaming Agency, the employee consents to disclosure to the Tribal Gaming Agency of all information held by the state agency, and the State Gaming Agency certifies in writing that the employee is in good standing.

C. Manufacturers and Suppliers of Gaming Services. Each manufacturer and supplier of gaming services shall be licensed by the Tribal Gaming Agency and shall be certified by the State prior to the sale of any gaming services. If the supplier or manufacturer of the services or goods is licensed or certified by the State of Washington it shall be deemed certified to supply those services or goods for the purposes of this Compact. The licensing and certification shall be maintained annually thereafter. Professional legal and accounting services shall not be subject to the certification and licensing requirements.

V. LICENSING AND STATE CERTIFICATION PROCEDURES

A. Procedures For Tribal License Applications and State Certification. Each applicant for a Tribal gaming license and for State certification shall submit the completed application along with the required information to the Tribal Gaming Agency. Each completed State certification application shall be accompanied by the applicants' fingerprint card(s), current photographs, and fees required by the State and Tribal Gaming Agencies. Upon receipt, the Tribal Gaming Agency will transmit a copy of all application materials for each applicant together with a set of fingerprint cards, a current photograph, and the fee required

to the State Gaming Agency. For applicants who are business entities, these provisions shall apply to the principals of such entities.

B. Background Investigations of Applicants. Upon receipt of a completed application and required fee for State certification, the State Gaming Agency shall conduct the necessary background investigation to ensure the applicant is qualified for State certification. Upon completion of the necessary background investigation, the State Gaming Agency shall either issue a State certification to the applicant with a copy to the Tribal Gaming Agency, or deny the application. If the application for certification is denied, a statement setting forth the grounds for denial shall be forwarded to the applicant in accordance with the provisions of Chapter 230-50 WAC with a copy forwarded to the Tribal Gaming Agency.

C. Grounds for Revocation, Suspension or Denial of State Certification. The State Gaming Agency may revoke, suspend or deny a State certification under the provisions of RCW 9.46.075 for any reason or reasons it deems to be in the public interest. These reasons shall include, but not be limited to when an applicant or holder of certification or principal of an entity:

1. Is determined to be a person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the effective regulation of gaming or create or enhance the chances of unfair or illegal practices, methods and activities in the conduct of the gaming activities permitted pursuant to this Compact or has violated, failed or refused to comply with the provisions, requirements, conditions, limitations or duties imposed by any provision of a Tribal/State Compact.

2. Has failed to provide any information reasonably required to investigate the application for state certification or to reveal any fact material to such application, or has furnished any information which is untrue or misleading in connection with such application.

3. Has had a Tribal or State gaming license revoked or denied during the twelve (12) months prior to the date of receipt of the application; is currently on probation; or has demonstrated a willful disregard for compliance with gaming regulatory authority in any jurisdiction, including offenses that could subject the individual or entity to suspension, revocation or forfeiture of a gaming license.

For the purpose of reviewing any application for a state certification and for considering the denial, suspension or revocation of any state certification the State Gaming Agency may consider any prior criminal conduct of the applicant or holder of certification and the provisions of RCW 9.95.240 and of chapter 9.96A RCW shall not apply to such cases.

4. Notwithstanding anything herein to the contrary, it shall not be automatic grounds for revocation, suspension or denial for an Indian from a federally recognized Indian Tribe to have been charged or convicted of the following non-gambling related offenses the occasion of which occurred prior to Supreme Court rulings on the subject: (1) a fishing or fishing related offense, or (2) a cigarette or alcohol sales offense. The parties agree that Indian individuals charged or convicted in cases involving the exercise of trust or treaty rights; in the absence of other violations, activities or factors which would warrant denial, revocation or suspension; shall not be barred solely as a result of such activities from certification.

5. For enrolled members of the Quileute Tribe who are applicants for Class III gaming certification and licensing, the State Gaming Agency will consult with the Tribal Gaming Agency prior to denying certification to such an applicant who does not meet the

criteria for certification. The Tribal and State Gaming Agencies may waive, by mutual agreement, through a provisional or conditional certification, certain criteria for such enrolled tribal members if the waiver does not pose an appreciable risk to the public or the lawful operation of the gaming facility. If the Tribe can show extenuating circumstances why an enrolled Tribal member who does not meet all criteria should be further considered for a provisional or conditional certification, the Tribal and State Gaming Agencies may agree to a temporary certification, based on specific conditions and a further detailed review of the applicant. Additional fees may be required to maintain a conditional or provisional certification.

D. Right To Hearing For Revocation, Suspension, or Denial of State Certification.

Any applicant for State certification, or holder of a State certification shall be entitled to a full hearing on any action by the State Gaming Agency which may result in the revocation, suspension, or denial of State certification. The hearing will be conducted in accordance with the procedures contained in the applicable provisions of Chapter 9.46 RCW, Chapter 34.05 RCW and Chapter 230-50 WAC. Provided, the State may defer such actions to the Tribal Gaming Agency at the State's discretion, and nothing herein shall prevent the Tribal Gaming Agency from invoking its disciplinary procedures and proceedings.

E. Denial, Suspension, or Revocation of Licenses Issued By Tribal Gaming Agency.

The denial, suspension, or revocation of any Tribal gaming license by the Tribal Gaming Agency shall be in accordance with Tribal ordinances and regulations governing such procedures and the grounds for such actions shall not be less stringent than those of Section V.C.

F. Duration and Renewal of Tribal Issued Licenses and State Certifications.

Any Tribal issued license or State certification shall be effective for one year from the date of issuance. Provided, that a licensed or certified employee or party that has applied for renewal may continue to be employed under the expired license or State certification until action is taken on the renewal application by the Tribal Gaming Agency or State Gaming Agency or a summary suspension has occurred. Applicants for renewal of license or certification shall provide updated material as requested, on the appropriate renewal forms, but shall not be required to re-submit historical data already available to the Tribal Gaming Agency or the State Gaming Agency. Additional background investigation shall not be required unless new information concerning the applicant's continuing suitability or eligibility for a license, or a State certification is discovered by either the Tribal Gaming Agency or the State Gaming Agency.

G. Identification Cards.

The Tribal Gaming Agency shall require all gaming employees to wear in plain view identification cards issued by the Tribal Gaming Agency which include photo, first name and an identification number unique to the individual tribal license and/or certification which shall include a Tribal seal or signature, and a date of expiration.

H. Exchange of Tribal Licensing and State Certification Information.

In an effort to ensure a qualified work force in all areas of Class III gaming, and in all types of gambling authorized under the laws of the State, upon completion of any administrative action or legal proceeding against a Tribal license or State certification, the final disposition shall be forwarded to either the Tribal Gaming Agency or the State Gaming Agency and maintained as part of both agencies permanent licensing records.

I. **Fees For State Certification.** The fees for State certification shall be the following:

Gaming Employee (in-state) Initial Certification	\$ 200.00
Gaming Employee (out-of-state) Initial Certification	\$ 250.00
Gaming Employee - Renewal	\$ 125.00
Management Entities, Suppliers, Manufacturers or Financiers (in-state) Initial Certification	\$1500.00
Management Entities, Suppliers, Manufacturers or Financiers (out-of-state) Initial Certification	\$5000.00
Management Entities, Suppliers, Manufacturers or Financiers Renewal	\$ 500.00

Provided, should actual costs incurred by the State Gaming Agency exceed the above fees, those costs will be assessed to the applicants during the investigation process. Payment in full to the State Gaming Agency will be required prior to the issuance of State certification. Notwithstanding any other provision of this Compact, the State Gaming Agency may modify any of the above fees consistent with like fees charged by the State Gaming Agency for non-Compact gaming elsewhere in the State by giving the Tribe sixty (60) days notice of intent to modify fees. Should a dispute arise under this section it shall be resolved pursuant to Section XII of this Compact.

J. **Fees For Tribal License.** The fees for all gaming employee licenses shall be set by the Tribal Gaming Agency.

K. **Temporary Certification of Gaming Employees.** Unless the background investigation undertaken by the State Gaming Agency within thirty (30) days of the receipt of a completed application discloses that the applicant has a criminal history, or unless other grounds sufficient to disqualify the applicant pursuant to this Section are apparent or have been discovered during that period, the State Gaming Agency shall, upon request of the Tribal gaming operation, issue a temporary certification to the applicant. The temporary certification shall become void and be of no effect upon either the issuance of a State certification or upon the issuance of intent to deny, in accordance with the provisions of this Compact. During the twelve (12) month period immediately following the effective date of this Compact as provided herein, any applicant who has a current license issued by the State Gaming Agency, together with his or her completed application shall be immediately issued a temporary certification by the State Gaming Agency pending completion of the certification investigation.

L. **Summary Suspension of Tribal License or State Certification.** The Tribal Gaming Agency, pursuant to the laws of the Tribe, and the State Gaming Agency, pursuant to the laws of the State, may summarily suspend any respective Tribal license or State certification

if the continued licensing or certification of a person or party constitutes a threat to the public health, safety or welfare.

M. Submission to State Administrative Process. Applicants for State certification agree by submitting such application to submit to State jurisdiction to the extent necessary to determine qualification to hold such certification, including all necessary administrative procedures, hearings and appeals pursuant to RCW 9.46, WAC 230-50 and the State Administrative Procedures Act, RCW 34.05. Tribal members who apply specifically waive any immunity, defense, or other objection they might otherwise have to the exercise of State jurisdiction for these purposes, but only for the purposes discussed in this paragraph. Nothing in this Section (V.M) shall be deemed or interpreted as a waiver of immunity or submission to State jurisdiction for any other purpose or cause of action.

N. Tribal Certification. The Tribe for any certification process may, in its sole election, rely upon the certification of the State as the Tribe's certification.

VI. TRIBAL ENFORCEMENT OF COMPACT PROVISIONS

A. Tribal Gaming Agency. The primary responsibility for the on-site regulation, control and security of the gaming operation authorized by this Compact, and for the enforcement of this Compact within Quileute Tribal Lands, shall be that of the Tribal Gaming Agency. As part of its structure, the Tribal Gaming Agency shall perform the following functions:

1. Enforce in the gaming operation, including the facility, all relevant laws;
2. Ensure the physical safety of patrons in the establishment;
3. Ensure the physical safety of personnel employed by the establishment;
4. Ensure the physical safeguarding of assets transported to and from the gaming facility and cashier's cage department;
5. Protect the patrons and the establishment's property from illegal activity;
6. Temporarily detain persons who may be involved in illegal acts for the purpose of notifying the law enforcement authorities; and
7. Record, in a permanent and detailed manner, any and all unusual occurrences within the gaming facility. Each incident, without regard to materiality, shall be assigned a sequential number and, at a minimum, the following information shall be recorded in indelible ink in a bound notebook from which pages cannot be removed and each side of each page of which is sequentially numbered:
 - (a) the assigned number;
 - (b) the date;
 - (c) the time;
 - (d) the nature of the incident;

- (e) the person involved in the incident; and
- (f) the security department employee assigned.

B. Tribal Gaming Agents / Inspectors. The Tribal Gaming Agency shall employ qualified inspectors or agents under the authority of the Tribal Gaming Agency. Said inspectors shall be independent of the Tribal gaming operation, and shall be supervised and accountable only to the Tribal Gaming Agency.

C. Reporting of Violations. A Tribal gaming inspector shall be present in the gaming facility during all hours of gaming operation, and shall have immediate access to any and all areas of the gaming operation for the purpose of ensuring compliance with the provisions of this Compact and Tribal Ordinances. Any violation(s) of the provisions of this Compact, or of Tribal Ordinances by the Tribal gaming operation, a gaming employee, or any person on the premises whether or not associated with the Tribal gaming operation shall be reported immediately to the Tribal Gaming Agency and forwarded to the State Gaming Agency within seventy-two (72) hours of the time the violation(s) was noted.

D. Investigation and Sanctions. The Tribal Gaming Agency shall investigate any reported violation of the Compact provisions and shall require the Tribal gaming operation to correct the violation upon such terms and conditions as the Tribal Gaming Agency determines are necessary. The Tribal Gaming Agency shall be empowered by Tribal Ordinance to impose fines and other sanctions within the jurisdiction of the Tribe against a gaming employee, or any other person directly or indirectly involved in, or benefiting from, the gaming operation.

E. Reporting to State Gaming Agency. The Tribal Gaming Agency shall forward copies of all completed investigation reports and final dispositions to the State Gaming Agency on a continuing basis. If requested by the Tribal Gaming Agency, the State Gaming Agency shall assist in any investigation initiated by the Tribal Gaming Agency and provide other requested services to ensure proper compliance with the provisions of this Compact, Tribal Ordinances, laws of the Tribe, or applicable laws of the State.

F. Quarterly Meetings. In an attempt to develop and foster a relationship in the enforcement of the provisions of this Compact, representatives of the State Gaming Agency and the Tribal Gaming Agency shall meet, not less than on a quarterly basis, to review past practices and examine methods to improve the regulatory program created by this Compact. The meetings shall take place at a location selected by the Tribal Gaming Agency. The State Gaming Agency prior to or during such meetings shall disclose to the Tribal Gaming Agency any concerns, suspected activities or pending matters reasonably believed to possibly constitute violations of this Compact by any person, organization or entity, if such disclosure will not compromise the interest sought to be protected.

VII. STATE COOPERATIVE ENFORCEMENT OF COMPACT PROVISIONS

A. Monitoring. The parties hereto recognize the necessity of cooperative monitoring of the activities engaged in pursuant to this Compact. To that end, the State Gaming Agency shall have equal authority with the Tribe to monitor the Tribal gaming operation to ensure that the operation is conducted in compliance with the provisions of this Compact. In order to properly monitor the Tribal gaming operation, agents of the State Gaming Agency shall have equal access equivalent to that exercised by the Tribal Gaming

Agency to all areas of the gaming facility during all operating hours without giving prior notice to the Tribal gaming operation. Provided, that when possible, notice shall be given to the Tribal Gaming Agency, a tribal gaming inspector in the facility, or the Chief of the Quileute Police Department. Where there is reason to believe that criminal acts are being committed, or there is a bona fide reason to believe that notice could jeopardize the safety of individuals or the effectiveness of an investigation, or for other reasons of public interest, there shall be no expectation of notification.

B. Tribal Commissions for State Gaming Agents. To assist the Tribal Gaming Agency in enforcing the Tribal Gaming Code and implementing the terms of this Compact, the Tribal Gaming Agency shall issue tribal commissions to qualified agents of the State Gaming Agency as determined by and designated by the State Gaming Agency Director. Prior to the State Gaming Agency's designation, the Directors of the respective agencies shall meet to discuss logistics including the number of agents required, types of agents needed and other details necessary to effectively fulfill the requirements of this Compact. The State Gaming Agency Director may also require undesignated tribal commissions for the purposes of special investigations and undercover personnel. The tribal commissions shall remain in effect until revoked upon recommendation of the Director of the State Gaming Agency, or by mutual written agreement of the Tribal and State Gaming Agencies.

C. Access to Records. Agents of the State Gaming Agency shall have equal authority with the Tribal Gaming Agency to review and copy, during all operating hours, all records maintained by the Tribal gaming operation. Provided, that any copy thereof and any information derived therefrom, shall be deemed strictly confidential, and proprietary financial information of the Tribe. Such information shall be retained by the State Gaming Agency in its contractual capacity as a signatory to this Compact. The State Gaming Agency shall notify the Tribe of any requests for disclosure of such information and shall not disclose until the Tribe has had a reasonable opportunity to challenge the request. Provided, this public disclosure prohibition shall not apply to evidence used in any proceeding authorized by this Compact.

D. Tribal Gaming Agency Notification. At the completion of any inspection or investigation, copies of the investigative report shall be forwarded to the Tribal Gaming Agency.

E. Cooperation With Tribal Gaming Agency. The State Gaming Agency shall meet periodically with the Tribal Gaming Agency and cooperate fully in all matters relating to the enforcement of the provisions of this Compact and promptly notify the Tribal Gaming Agency of any activity suspected or occurring whether within the gaming facility or not, which adversely affects State, Tribal or public interests relating to the gaming facility and operation. Provided, such disclosure shall not compromise the interest sought to be protected.

F. Jurisdictional Issues. Except as expressly set forth herein, nothing in this Compact is intended nor shall it confer upon the State or any other non-Tribal entity any jurisdiction or exclusive jurisdiction with respect to non-gaming related activities on Quileute Tribal Lands. Except as expressly set forth herein, and then only to the extent expressly set forth herein, the terms of this document do not constitute a waiver of sovereign immunity and any such waiver is and shall be deemed to be only a limited waiver solely for the purposes set forth in this Compact. The terms of such limited waiver of sovereign immunity, furthermore, shall be strictly construed.

VIII. REGULATORY JURISDICTION RELATING TO ENFORCEMENT OF THE PROVISIONS OF THIS COMPACT

A. **Concurrent Jurisdiction.** The Tribal Gaming Agency and the State Gaming Agency shall have concurrent jurisdiction to investigate violations of the provisions of this Compact, and to bring administrative charges, in accordance with Tribal Laws and the provisions of Chapter 9.46 RCW, Chapter 34.05 RCW and Chapter 230-50 WAC, against any individual or business entity that is licensed by the Tribal Gaming Agency or certified by the State Gaming Agency in accordance with this Compact. In recognition of the need to foster a joint regulatory program to enforce the provisions of this Compact, the Tribe consents to the limited waiver of sovereign immunity solely with respect to this Compact and its provisions. The Tribe further consents to the exercise of jurisdiction by the Federal District Court of the Western District of Washington with respect to actions to enforce the provisions of this Compact.

IX. LAW ENFORCEMENT JURISDICTION RELATING TO GAMBLING

A. **Investigative Authority.** The Tribal Gaming Agency, Tribal Law Enforcement Agency, the Clallam County Sheriff or law enforcement agencies cross deputized by the Tribal Law Enforcement Agency, the Washington State Patrol and the State Gaming Agency shall have the authority to investigate those gambling and gambling-related crimes enumerated in Chapter 9.46 RCW made applicable, or against the laws of the Tribe, that occur within the gaming facility or within Quileute Tribal Lands, provided that such activities shall relate only to the terms of this Compact, and further provided that any non-tribal law enforcement agency conducting an investigation within Quileute Tribal Lands shall, whenever possible, first provide notice of such investigation to the Quileute Tribal Police Chief. Where there is reason to believe that notice of the investigation could jeopardize the safety of individuals or the effectiveness of the investigation, there shall be no expectation of prior notice. Following an investigation by the State Gaming Agency for which no disclosure is provided, the State Gaming Agency shall promptly provide the Tribe with a written report, including the basis for not disclosing the information, and information about evidence gathered in connection with the investigation. Nothing herein shall be or be deemed to be a consent, grant or waiver of any sovereign right or immunity of the Tribe with respect to Quileute Tribal Lands and/or the members of the Quileute Indian Tribe or any other individuals or entities subject to Tribal jurisdiction as it relates to each and every non-tribal entity or jurisdictional group set forth herein.

B. **Jurisdictional Forums.** Following investigation and arrest, formal charges will be brought in the appropriate venue. Criminal prosecution of non-tribal members will be through the proper State or Federal courts. Tribal members who are criminal defendants will be prosecuted in Tribal or Federal Court. Wherever possible, for criminal defendants who are tribal members, Tribal Court will be the preferred venue for individual prosecutions unless the Tribe declines to place jurisdiction in the Tribal Court within six (6) months of the discovery of an offense.

C. **Consent to Application of State Law and Incorporation in Tribal Ordinance.** For the purposes of 18 USC Section 1166(d), for enforcing the provisions of this Compact with respect to certification and criminal conduct, and for protection of the public health, safety and welfare, and to the extent not inconsistent with other provisions of this Compact, RCW 9.46.075; 9.46.140; 9.46.155; 9.46.160; 9.46.170; 9.46.180; 9.46.185; 9.46.190; 9.46.196; 9.46.198; 9.46.220; 9.46.221, 9.46.222, 9.46.230; 9.46.240; as now or hereafter amended, shall be applicable and incorporated herein as part of this Compact and

shall be incorporated into a Tribal ordinance to provide consistency and equality between State and Tribal law. To the extent required pursuant to this Compact, and consistent with the terms of this Compact, the Tribe consents to the concurrent jurisdiction of the State with respect to Class III gaming activities on Quileute Tribal Lands. Notwithstanding anything herein to the contrary, any penalty or fine contained in the statutory provisions set forth herein which are in conflict with the limitations upon the Tribe under federal statute shall be made, in the Tribe's gaming ordinance, to comport with federal law.

D. Exception to Consent. Except for the concurrent jurisdiction of the State with respect to gaming on Quileute Tribal Lands contained in this Section and elsewhere for acts of individuals, nothing in this Compact shall be deemed a consent or submission of or by the Tribe to the concurrent jurisdiction and/or application of other laws of the State.

E. Law Enforcement Coordination. In an attempt to foster a spirit of cooperation between the law enforcement agencies authorized to enforce the criminal laws of the State or the Tribe, and those laws affecting the public health, safety and welfare of the surrounding communities, representatives of those law enforcement agencies shall meet prior to commencement of operations and periodically thereafter to discuss mutual concerns and coordinate the enforcement actions necessary to minimize those concerns.

X. ENACTMENT OF COMPACT PROVISIONS

A. State Gaming Agency Rules or Regulations. Pursuant to its general rule making authority contained in Chapter 9.46 RCW, the State Gaming Agency may enact as part of its rules or regulations governing gambling, all or part of the provisions of this Compact.

B. Tribal Gaming Agency Regulations. Pursuant to its general rule making authority, the Tribal Gaming Agency may enact as part of its regulations governing gambling, all or part of the provisions of this Compact.

XI. REGULATIONS FOR THE OPERATION AND MANAGEMENT OF THE TRIBAL GAMING OPERATION

A. Adoption of Regulations for Operation and Management. The Tribal Gaming Agency shall adopt regulations to govern the operation and management of the gaming operation conducted pursuant to this Compact. The regulations shall ensure that the interests of the Tribe and the State relating to Class III gaming are preserved and protected. The regulations shall maintain the integrity of the gaming operation and shall reduce the dangers of unfair or illegal practices in the conduct of the Class III gaming operation. The initial regulations to govern the operation and management of the Tribal gaming operation shall be the standards set forth in Appendix A. The Tribal Gaming Agency shall notify the State Gaming Agency of any intent to revise the standards set forth in Appendix A and shall request the concurrence of the State Gaming Agency for such revisions. State Gaming Agency concurrence shall be deemed granted unless disapproved in writing within sixty (60) days of submission of the revised standards. The State Gaming Agency shall concur with the proposed revisions upon request, unless it finds that they would have a material adverse impact on the public interest in the integrity of the gaming operation, and shall disapprove only such portions of the proposed revised standards which are determined to have a material adverse impact upon such interests. If the State Gaming Agency disagrees with the proposed revised standards, it shall set forth with specificity the reasons for such disagreement. Upon a notice of disagreement, the parties shall meet, and in good faith try to resolve the

differences. If unsuccessful, the matter shall be resolved pursuant to Section XII.C of this Compact.

B. Additional Operational Requirements Applicable To Class III Gaming. The following additional requirements shall apply to the gaming operation conducted by the Tribe:

1. To ensure integrity, the Tribal gaming operation shall maintain the following logs as written, or computerized records which shall be available for inspection by the State Gaming Agency in accordance with Section VII.B. of this Compact: a surveillance log recording all surveillance activities in the monitoring room of the gaming facility; a security log recording all unusual occurrences for which the assignment of a Tribal Gaming Agency employee is made.

2. The Tribal Gaming Agency shall establish a list of persons barred from the gaming facility because their criminal history or association with career offenders or career offender organizations poses a threat to the integrity of the gaming activities of the Tribe. The Tribal Gaming Agency shall employ its best efforts to exclude persons on such list from entry into its gaming facility. The Tribal Gaming Agency shall send a copy of its list on a quarterly basis to the State Gaming Agency.

3. The Tribal Gaming Agency shall require the audit of the Tribal gaming operation, not less than annually, by an independent certified public accountant, in accordance with the auditing and accounting standards for audits of casinos of the American Institute of Certified Public Accountants.

4. The Tribal Gaming Agency shall notify the State Gaming Agency of the rules of each game operated by the Tribe and of any change in such rules. Summaries of the rules of each game relevant to the method of play and odds paid to winning bets shall be visibly displayed or available in pamphlet form in the gaming facility. Betting limits applicable to any gaming station shall be displayed at such gaming station. Rules for games identified in Section III shall be based upon such games as commonly practiced in Nevada, including wagering, as do not fundamentally alter the nature of the game as the Tribal Gaming Agency may approve. Rules for games identified in Section III shall be submitted to the State Gaming agency for review, to determine if the rules fundamentally alter the nature of the game. The Tribe will provide the State Gaming Agency ten (10) days advance notice of the rules of each game and any modifications thereof, and will provide adequate notice to patrons of the gaming operation facility to advise them of the applicable rules in effect. In the event of a dispute, the matter will be handled in accordance with Section XII.C of this Compact.

5. The Tribal gaming operation shall maintain a closed circuit television system in accordance with the regulations set forth in Appendix A, and shall not modify such regulations without the agreement of the State Gaming Agency. The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with copies of its floor plan and closed circuit television system and any modifications thereof for review by the Tribal Gaming Agency. If the floor plan or closed circuit television system does not provide unobstructed camera views in accordance with such regulations, the Tribal Gaming Agency shall modify such floor plan or closed circuit television system in order to remedy such deficiency. The Tribal Gaming Agency shall forward a copy of the floor plan and closed circuit television system to the State Gaming Agency for review and consideration prior to final approval. In the event of a dispute, the matter will be handled in accordance with the provisions of Section XII.C.

6. The Tribal gaming operation shall maintain a cashier's cage in accordance with the standards set forth in Section 7(3) of Appendix A, and shall not modify such standards without the concurrence of the State Gaming Agency. The Tribal Gaming Agency and the State Gaming Agency may review cashier's cage security. If the cashier's cage does not comply with the security standards set forth in Appendix A, the Tribal operation shall modify its cashier's cage to remedy such deficiency. In the event of a dispute the matter will be handled in accordance with provisions of Section XII.

7. The Tribal gaming operation shall provide the Tribal Gaming Agency and the State Gaming Agency with a description of its minimum requirements for supervisory staffing for each table gaming pit operated in its gaming facility. In the event that the State Gaming Agency regards such supervisory staffing as inadequate, the Tribal Gaming Agency and State Gaming Agency shall promptly confer in good faith in an effort to reach agreement on supervisory staffing requirements. If agreement cannot be reached between the State Gaming Agency and the Tribal Gaming Agency, the dispute shall be handled in accordance with Section XII.C of this Compact.

XII. REMEDIES FOR BREACH OF COMPACT PROVISIONS

A. Injunction Against the State. If the Tribe believes the State, whether or not through the State Gaming Agency, is in breach or default or is otherwise acting contrary to, or failing to act in the manner required by any of the provisions of this Compact, the Tribe may seek injunctive or other relief in a court of competent jurisdiction. Prior to bringing such action, the Tribe shall notify the state and the State Gaming Agency of the alleged violation(s).

B. Injunction Against the Tribe, the Tribal Gaming Operation, or any Individual. The State Gaming Agency may bring an action to enjoin the Tribe, the Tribal gaming operation, or any individual, if the State determines that any gaming operation authorized by the provisions of this Compact is being conducted in violation of the provisions of this Compact or if any Class III activity is being conducted by others elsewhere on Quileute Tribal Lands in violation of the provisions of this Compact. Such action shall be brought in the U.S. District Court, pursuant to 25 USC 2710(d)(7)(A)(ii). Solely for the purpose of this remedy, the Tribe consents to such suit and hereby agrees to a limited waiver of its sovereign immunity for the purposes set forth in this sub-section only. Prior to bringing such action, the State Gaming Agency shall notify the Tribe, the Tribal Gaming Agency and the Tribal Gaming Operation of the alleged violation(s).

C. Dispute Resolution. In addition to the other remedies and enforcement provisions elsewhere in this Compact and without prejudice to either party to seek injunctive relief against the other, the parties hereby establish a method of non-judicial dispute resolution in order to foster a spirit of cooperation and efficiency in the administration and monitoring of performance and compliance by each with the terms, provisions and conditions of this Compact. Unless other procedures and time frames are elsewhere set forth in this Compact, then and in the event of a dispute or disagreement between the parties regarding the implementation and compliance with referenced provisions of this Compact or otherwise by mutual agreement of the parties, disputes shall be resolved as follows:

1. Either party shall give the other, as soon as possible after the event giving rise to the concern, a notice setting forth the issues to be resolved;

2. The parties shall meet and confer not later than ten (10) days from receipt of the notice;

3. If the dispute is not resolved to the satisfaction of the parties within twenty (20) days of the first meeting, then the party may seek and cause to have the dispute resolved by and in accordance with the policies and procedures of the Judicial Arbitration and Management Service of Seattle, Washington (JAMS);

4. The hearing, unless another date is stipulated to by the parties, shall occur no later than fourteen (14) days from Judge(s) selection before a JAMS judge or judges of agreed selection by the parties, but in the event no agreement is made, then as selected by JAMS;

5. The hearing shall occur at a time, place and location of mutual selection, but if such cannot be agreed to, then as selected by JAMS or by the judges selected;

6. The decision of JAMS shall be final and unappealable and if the party against whom sanctions are sought or curative or other conforming action is required and it is not performed or expeditiously undertaken to effect cure, or that party is not capable of immediate remedy, then that failure shall be deemed a default and breach of the provision(s) of the Compact at issue;

7. The rules of pleading and procedure of the American Arbitration Association - Seattle for commercial disputes shall supplement those of JAMS, unless the parties otherwise agree to other rules and procedures and document the same by an appendix to this Compact. Should JAMS cease to provide these functions, then the parties agree to substitute the services of a similar arbitration/mediation service.

8. Nothing in this section shall be construed to waive, limit or restrict any remedy which is otherwise available to either party to enforce or resolve disputes concerning the provisions of this Compact. Nor shall this section be construed to preclude, limit or restrict the ability of the parties to pursue, by mutual agreement, alternative methods of dispute resolution, including but not limited to mediation, arbitration, or utilization of a technical advisor to the Tribal and State Gaming Agencies; provided that neither party is under any obligation to agree to such alternative method of dispute resolution. The parties to this Compact agree that the favored method of resolving differences is for the State and Tribal Gaming Agencies to meet and confer in good faith regarding the issues in dispute and attempt to resolve disputes through their joint working relationship.

D. Sanctions/Civil Fines. The following is a schedule of civil fines for any infraction of the provisions of the Compact Sections set forth below. These penalties are set forth as maximums to be set within the reasonable discretion of the State Gaming Agency and charged and levied against the Tribe. The event or circumstances occasioning the charge and the extent and amount of the penalty for the infraction, if contested by the Tribe, are subject to dispute resolution under Section XII.C. Any penalties collected are to be distributed to the Washington State Council on Problem Gambling.

1. For violation of terms, conditions and provisions of Section III:

a. First and subsequent infractions: up to a maximum suspension of gaming operations within the Class III facility not to exceed five (5) days of operation (up

to 18 hours per day) per violation, or the dollar equivalent of the Net Win to the Tribe from operations for the number of days of suspension, all not to exceed thirty (30) days.

2. For violations of the terms, conditions and provisions of Section IV and V - non-certified or non-licensed gaming employee(s), manufacturer(s), supplier(s) or other entities:

a. For employees first infraction - fine equal to daily Net Win for each day of employment divided by the number of gaming stations in play for each day of employment. For employees second and subsequent infractions - suspension of eighteen (18) hours of gaming operations for each day of employment or a fine equal to the Net Win for each day of employment.

b. For manufacturers, suppliers and other entities - up to \$5,000 for the first infraction; and up to \$20,000 for the second and subsequent infractions.

3. For violation of the terms, conditions and provisions of Section XI and Appendix A:

a. For first infractions - written warning.

b. For second infractions - up to \$250.

c. For third infractions - up to \$500.

d. For subsequent violations - up to \$1,000.

All penalties listed in this subsection (XII.D.3.a. through d.) will be charged and monitored on a per-violation basis on an annual basis dating from the issuance of the written warning. Provided, during the first six (6) months of actual operation of the Class III gaming operation only written warnings will be issued.

E. Disposition of Civil Fines Collected. Any civil fines collected by the State Gaming Agency or the Tribal Gaming Agency pursuant to the provisions of this Compact shall be disbursed at the end of each fiscal year to the Washington State Council on Problem Gambling, a bona fide nonprofit organization. In the event the Washington State Council on Problem Gambling ceases to exist or substantially changes its purpose, then the parties agree to meet and in good faith designate a successor recipient bona fide nonprofit organization whose primary purposes are related to addressing the ills of compulsive and/or problem gambling within the State, Quileute Tribal Lands and neighboring communities. Provided, in the event a dispute arises, it will be resolved pursuant to Section XII.C of this Compact.

XIII. TRIBAL REIMBURSEMENT FOR EXPENSES INCURRED BY THE STATE GAMING AGENCY

The Tribe shall reimburse the State Gaming Agency for all reasonable costs and expenses actually incurred by the State Gaming Agency in carrying out its responsibilities as authorized under the provisions of this Compact. Reimbursement shall be made for monitoring, investigative, and processing costs. With regard to administrative actions, reimbursement shall be made to the extent that costs incurred exceed the certification fees received. Beginning no sooner than three (3) months after the gaming operation is opened to the public, the State shall submit a verified, detailed statement with supporting documentation on a quarterly basis to the Tribal Gaming Agency. The Tribe shall reimburse the State Gaming

Agency within thirty (30) days after the receipt of the statement of expenses. The State Gaming Agency agrees to meet at least annually with the Tribal Gaming Agency to discuss any issues related to reimbursements from the Tribe; to develop an estimate of reimbursable basic regulatory costs to be sought during the next year, based on information reasonably available to the parties at that time; to most effectively enhance the Tribal Gaming Agency's role in regulation; and to maximize the efficiency of the regulatory process. In the event a dispute arises, it will be resolved pursuant to Section XII.C of this Compact.

Nothing in this Compact shall be deemed to authorize the State to impose any tax, fee, charge or assessment upon the Tribe or the authorized Tribal gaming operation except for charges expressly authorized pursuant to the provisions of this Compact.

XIV. PUBLIC HEALTH AND SAFETY

A. Compliance. For the purposes of this Compact the Tribal gaming operation shall comply with and enforce standards no less stringent than the following with respect to public health and safety:

Indian Health Service public health standards.

All Federal laws establishing minimum standards for environmental protection.

Applicable Environmental Protection Agency program standards and National Environmental Policy Act requirements.

Federal water quality and safe drinking water standards.

Uniform Building Code, including codes for electrical, fire and plumbing.

Public health standards for food and beverage handling in accordance with U.S. Public Health Service requirements.

Tribal Codes and ordinances regarding public health, safety and environmental protection standards.

B. Emergency Service Accessibility. The Tribal Gaming Agency shall make provisions for adequate emergency accessibility and service.

C. Community Contribution Fund.

The Tribe provides a Police Department to enforce law and order on Quileute Tribal Lands. The Tribe recognizes that adequate enforcement and the availability of support services and assistance is critical to the safe operation of Class III gaming, and that activities directly and indirectly associated with the operation of the gaming facility may impact surrounding local law enforcement agencies, emergency services and other service agencies and place an increased burden on them. To that end, the Tribe shall establish a fund for the purpose of providing assistance to non-tribal law enforcement, emergency services and other service agencies impacted by the Class III gaming facility and withhold and disburse, on a quarterly basis, a maximum of 2.0% of the net win from the Class III gaming tables authorized by this Compact for this fund ("community contribution"). The first contribution to the fund shall be made one year after the opening of the initial facility, unless this payment to the Fund would leave the gaming operation at a loss, in which event this initial contribution may be

2. The Tribe may schedule its hours to best comply with market conditions and may operate any day of the week. The Gaming Operation shall not exceed twenty (20) hours per day and the Gaming Facility shall be closed to the public from 2:00 a.m. until 6:00 a.m. each day of operation, provided the Tribe may operate the Gaming Facility past the hours of 2:00 a.m. upon mutual written agreement by the State Gaming Agency, the Tribal Gaming Agency and local law enforcement agencies.

3. Upon thirty (30) days written notice to the State Gaming Agency and upon mutual written agreement between the State Gaming Agency and the Tribal Gaming Agency, the Tribe may operate the Gaming Facility for twenty-four (24) hours without interruption at certain times of the year, not to exceed a total of seventy-two (72) hours during any one such time period. The Tribe may request for such special hours three (3) times in any one calendar year.

L. Ownership of Gaming Facility and Gaming Operation. The gaming operation, including the gaming facility, shall be owned and operated by the Tribe. The Tribe shall be entitled to contract for management of the gaming facility and gaming operation. Such contract shall subject the management entity to the terms of this Compact, including annual certification and licensing. A leasehold interest shall satisfy the ownership requirement.

M. Prohibited Activities. Any Class III gaming activity not specifically authorized in this Compact is prohibited. Unless gambling devices are subsequently authorized by the State, by agreement of the parties, through a consensual lawsuit, or through a final and unappealable decision permitting gambling devices issued by a court of competent jurisdiction interpreting the laws of the State of Washington, all Class III gambling devices are prohibited. Nothing herein is intended to prohibit or restrict otherwise lawful and authorized Class II gaming activities and devices on Quileute Indian Lands or within the Gaming Facility.

N. Prohibition on Minors. No person under the age of eighteen (18) shall participate in any gaming operation, or be allowed on the Class III gaming floor authorized by this Compact during actual hours of operation. Should alcoholic beverages be offered on the gaming floor pursuant to applicable law, then no patron under the age of twenty-one (21) shall be permitted on the gaming floor during actual hours of operation.

O. Prohibition on Firearms. The possession of firearms by any person within the gaming facility shall be strictly prohibited, and notice of such shall be posted near the entrance to the facility. Provided, this prohibition shall not apply to authorized agents or officers of the Tribal Gaming Agency, Tribal Law Enforcement Agency, State Gaming Agency, or State and Local law enforcement agencies.

P. Financiers. Any party extending financing, directly or indirectly, to the gaming facility or gaming operation shall be subject to the annual licensing requirements of the Tribal Gaming Agency, and shall be required to obtain State certification prior to completion of the financing agreement and annually thereafter. These licensing and certification requirements do not apply to financing provided by a federally regulated commercial lending institution, the Quileute Tribal government, or the Federal government. However, the source of all funds will be fully disclosed in accordance with IGRA and a copy provided to the State.

Q. Additional Class III Games. The State acknowledges that the Tribe may decide to conduct other Class III games which are permitted under the I.G.R.A., or other federal law but are not included in Section III.A-E of this Compact; for example, horse racing or a Tribal

provided to the Fund on a pro rata basis, yearly, over a five year period. Further, the Tribe shall, on a quarterly basis beginning three months from the date the facility opens to the public, distribute this fund to non-tribal enforcement and services agencies impacted by the Class III gaming operation. These funds shall be shared by all agencies materially impacted by the gaming operation based on evidence of impacts presented by each agency; provided, however, that the Clallam County Sheriff will be a first priority for the distribution of this fund to cover additional expenses incurred as a result of the Class III gaming operation.

A committee shall be established consisting of a representative of the Quileute Tribal Council, a representative from Clallam county; a representative of the State Gaming Agency, a representative from the Town of Forks, and a representative from the Quillayute Fire District. The makeup of this committee may be expanded or changed by mutual agreement of the Tribal and State Gaming Agencies, if necessary. The committee shall meet at least annually to discuss impacts within the county and on the Reservation, level of services provided, use of these funds, and to determine the distribution of the fund. Distributions may be made based on a negotiated memorandum of understanding (MOU) between the Tribe and the impacted agencies providing services, which addresses services to be provided during the following year. In the event of a dispute that cannot be resolved by agreement of the parties, either the State Gaming Agency or the Tribe may seek resolution through the arbitration provisions of Section XII of this Compact. No Class II gaming revenues or non-gaming revenues such as food, beverage, wholesale or retail sales shall be included within the budgeted 2.0% sum set forth in this Section. At any time after one year from the opening of the Class III Gaming Facility, or from time to time thereafter, either the State Gaming Agency or the Tribal Gaming Agency may request a re-evaluation, and possible reduction of, the Community Contribution payments based on fewer than anticipated impacts. In the event the State and the Tribal Gaming Agencies mutually agree, the Community Contribution Fund shall be reduced at that time.

D. Community Relations. The Tribal Gaming Agency agrees to be available to meet and discuss with neighboring communities any concerns regarding the impact of the Class III gaming operation upon the neighboring communities.

E. Alcoholic Beverage Service. Standards for alcohol service shall be subject to applicable law.

XV. LIMITATION OF LIABILITY

Neither the Quileute Tribe nor the State are creating, or intend to create, any rights in third parties which would result in any claims of any nature whatsoever against the Tribe or the State as a result of this Compact. Neither the Tribe nor the State have waived their immunity from third party suits or claims of any kind or nature whatsoever against them, and nothing contained in this Compact shall be construed to effect a waiver, in whole or in part, of said immunity.

XVI. AMENDMENTS, DURATION AND EFFECTIVE DATE

A. Effective Date. This Compact shall constitute the agreement between the State and the Tribe pursuant to IGRA and shall be amendable and modified only under provisions of the Compact. This Compact shall take effect upon publication of notice of approval by the U.S. Secretary of the Interior in the Federal Register in accordance with 25 USC 2710(d)(3)(B).

B. Voluntary Termination. Once effective, this Compact shall be in effect until terminated by the written agreement of both parties. Provided, should the Tribe wish to cease Class III gaming operations, the Tribe may unilaterally terminate this Compact by submitting written notice sixty (60) days prior to the date of termination to the Governor of the State of Washington. Provided, State jurisdiction under this Compact shall continue until the completion of any pending investigation or court action. Suspension or injunction of Class III gaming operations shall not constitute termination for the purpose of this sub-section.

C. Other Termination - Change of State Law. If the laws of the State authorizing the activities set forth herein as Class III gaming activities are repealed prohibiting such gaming for any purpose by any person, organization or entity, it is the State's position that the provisions of the Compact providing for such gaming would not be authorized and continued operation of such gaming would constitute a violation of the Compact and the State may bring an action in Federal District Court pursuant to 25 USC Section 2710(d)(7)(A)(ii).

The Tribe disagrees that such subsequent State legislation would have this effect under IGRA and the Compact, but does agree that such an action, if commenced in that forum, is the appropriate State recourse and for such purpose the Tribe consents to such a suit and hereby grants a limited waiver of sovereign immunity solely for the purpose of litigating the said issue.

D. Amendments/Renegotiations.

1. Amendments - Mutual. The terms and conditions of this Compact may be amended at any time by the mutual and written agreement of both parties, except as limited by Section XVI.D.3. of this Compact.

2. Amendments - Contractual. The parties shall adjust the terms and conditions of this Compact, except as provided below in Section XVI.D.3, upon written notice and request by the Tribe to the State if and when:

(a) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact;

(b) a State or Federal court within the State of Washington or a federal court interpreting the laws of the State of Washington issues a final and unappealable decision that permits participation in a gaming activity that was not authorized for any purpose by any person, organization or entity at the time this Compact was executed or not authorized by this Compact.

(c) federal legislation authorizes the operation of or participation in gaming activity that was not authorized at the time this Compact was executed or was not authorized by this Compact.

3. Renegotiation/Amendments - Section III of Compact. Section III F, I, J, K of the Compact regarding certain aspects of the scope of gaming shall not be subject to renegotiation or amendment for thirty-six (36) months from the date of this Compact, unless one of the following occurs: (1) the laws of the State are amended, expanding gaming beyond that which is now allowed under the terms of this Compact; (2) a State or Federal court within the State of Washington or a Federal court interpreting the laws of the State of Washington issues a final and unappealable decision permitting participation in a gaming activity that was not authorized for any purpose by any person, organization, or entity at the time this Compact was executed or not authorized by this Compact; or (3) another tribe West of the Cascade

Mountains obtains, through a Compact or Amendment to a Compact approved by the Secretary of the Interior, greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact; (4) another tribe East of the Cascade Mountains obtains, through a Compact approved by the Secretary of the Interior, greater levels of wagering, hours of operation, size and/or scope of Class III gaming activities, than authorized by the provisions of this Compact and the Tribe can demonstrate that such levels have resulted in an adverse economic impact on the Class III gaming operation.

4. Renegotiation - State. The parties shall renegotiate Compact sections containing provisions affecting health, safety and welfare or environmental requirements, including Sections IV, V, VII, XI or XIV, upon the written notice and request by the State to the Tribe if and when circumstances and events unforeseen at the time of the negotiation and execution of this Compact occur meriting discussion and renegotiation of such provisions. The notice to amend or renegotiate shall include the activities or circumstances the State wishes to negotiate, together with a statement of the basis supporting the request. The parties agree that negotiations shall commence within thirty (30) days of the request. If the renegotiations are unsuccessful, then the matter shall be resolved pursuant to Section XII.C which in this instance shall be mandatory and binding.

5. Renegotiation - Either Party. At any time after thirty-six (36) months from the date of opening the gaming facility authorized under this Compact, either the Tribe or the State may request renegotiation of any of the provisions of this Compact if and when circumstances or events unforeseen at the time of the negotiation and execution of this Compact occur that merit the discussion and renegotiation of such provisions. The request to renegotiate shall include the activities or circumstances the party wishes to negotiate, together with a statement of the basis supporting the request. The parties agree that negotiations shall commence within thirty (30) days of the request. The original terms and provisions of the Compact will remain in effect unless and until the parties agree on the renegotiated terms.

6. Renegotiation - Change of Location. The Tribe may at some future time and for business reasons, be interested in locating the Class III facility on trust lands not within the Reservation boundaries, but within a distance of no more than twenty (20) miles from the existing Reservation boundary. In that event, the State and Tribe agree to review and, in good faith, renegotiate as necessary any provision of the compact applicable to the proposed location including, but not limited to, environmental issues, enforcement and regulatory issues, traffic, transportation and access issues. Such renegotiation will not include scope of gaming issues. The State reserves all rights under the IGRA as may be applicable to the siting of gaming facilities on newly acquired or non-contiguous trust land. If the State and Tribe cannot agree on the issues after no less than four (4) months of beginning negotiations, the issues unresolved may be submitted to arbitration under the provisions of Section XII.C of this Compact. The decision of the arbitrator shall be binding and non-appealable. Such renegotiation may include scheduling public meetings, good faith consultation with local and state governmental entities, and working to resolve tribal, state and local issues regarding the proposed site and other related matters.

7. Process and Negotiation Standards. The notices to amend or renegotiate shall include the activities or circumstances to be negotiated together with a statement of the basis supporting the request. If the request meets the requirements of this sub-section proviso, the parties shall confer and required negotiations shall commence within thirty (30) days of the request. All matters involving negotiations or other amendatory processes under this Section shall be otherwise governed, controlled and conducted in conformity with the

provisions and requirements of 25 USC Section 2710(d), except in sub-sections where a different resolution is specifically provided in the event of an unsettled dispute or where agreement is not reached by the parties.

8. State Authorization of Additional-Class III Gaming Activities. In the event the State hereafter authorizes any additional Class III gaming activity, including electronic facsimiles of Class II or Class III gaming, the Tribe shall be authorized to immediately commence conducting such activity prior to completion of the subsequent negotiations as provided in Section XVI.D.2, if such activity is conducted in accordance with all of the limitations, regulations and requirements of the State.

9. State Authorization to Other Tribes Modifying Scope of Gaming Compact. Notwithstanding any other provision of this Compact to the contrary, if after the signing of this Compact, the Secretary of the Interior approves a compact with any Washington Tribe west of the Cascade Mountains, or an amendment thereto, and such compact gives such tribe more Gaming Stations, higher wager limits, other Class III gaming activity, and/or more hours of operation or otherwise approves a compact or amendment to a compact which gives such Tribe an expansion of terms other than those identified above, then this Compact shall be amended automatically to maintain equality. Provided, either party shall have the right to take the issue to dispute resolution under the provisions of Section XII.C of this Compact if a dispute arises regarding the applicability of this automatic amendment provision to a particular term approved in another compact.

XVII. NOTICES

Unless otherwise indicated by this Compact, all notices required or authorized to be served shall be served by first class mail at the following addresses:

Governor
State of Washington
State Capitol
Olympia, WA 98504

Tribal Chairman
Quileute Tribe of Indians
Post Office Box 279
LaPush, WA 98350-0279

Director
Washington State Gambling Commission
P.O. Box 42400
Olympia, Washington 98504-2400

XVIII. SEVERABILITY

In the event that any Section or provision of this Compact is held invalid, or its application to any particular activity held invalid, it is the intent of the parties that the remaining Sections of the Compact, and the remaining applications of such Section or provision shall continue in full force and effect.

THE QUILEUTE TRIBE OF INDIANS

Douglas Woodruff Sr.
Douglas Woodruff Sr., Chairperson

7-8-95
Date

THE STATE OF WASHINGTON:

Mike Lowry
Mike Lowry, Governor

6/9/95
Date